

**GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA**

UNSTARRED QUESTION NO:1225

ANSWERED ON:25.07.2016

Import Duty on Edible Oils

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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

- (a) the details of maximum and minimum import duties permitted in the rules laid down by the World Trade Organisation (WTO) with respect to the import of edible oils and the import duties being charged currently;
- (b) whether the import of edible oils is increasing steadily due to the excessive rebate in their imports and if so, the details thereof along with the other reasons therefor;
- (c) the quantum of edible oils imported during the last three years along with the import duties charged thereon, year-wise; and
- (d) whether the yields of oilseeds of the farmers have been adversely affected due to exceedingly low import duty and if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (INDEPENDENT CHARGE)
(SMT. NIRMALA SITHARAMAN)

(a) As per India's commitments to the World Trade Organization (WTO), the maximum rate of duty permitted for edible oils ranges from 40% (olive oil, edible grade) to 300% (coconut, sunflower, groundnut and palm oil). Currently, the basic customs duty rates applicable on import of all types of crude edible oils (of vegetable origin) is 12.5% and on all types of refined edible oils (of vegetable origin) is 20%, applicable with effect from 17.09.2015. WTO rules do not prescribe minimum duty rates for imports.

(b) There is no rebate on the import of edible oils. The increase in import of edible oil is required to bridge the gap between domestic production and consumption. Import duties are reviewed from time to time to balance and harmonise various policy objectives and to safeguard the interests of farmers, processors and consumers.

(c) The quantity of edible oil imported during the last three years is as under:

Year Quantity (in lakh tonnes)

2013-14 104.67

2014-15 127.31

2015-16 156.39 (provisional)

The basic customs duty rates applicable on import of crude and refined edible oils (of vegetable origin) for the last three years are as under:

Description Rate of Basic Custom Duties Period for which applicable

Crude edible oils

(of vegetable origin) Nil 01.04.2008 to 22.01.2013

2.5% 23.01.2013 to 23.12.2014

7.5% 24.12.2014 to 16.09.2015

12.5% From 17.09.2015 without time limit

Refined edible oils (of vegetable origin) 7.5% 01.04.2008 to 19.01.2014

10% 20.01.2014 to 23.12.2014

15% 24.12.2014 to 16.09.2015

20% From 17.09.2015 without time limit

(d) Most of the oilseed cultivation is on marginal land and is dependent on rainfall and other climatic conditions. While imports are necessary to meet domestic consumption requirements, government policy is aimed at increasing the domestic production of oilseeds and edible oil through steps such as bringing more area under oilseeds cultivation, improving the productivity of oilseeds cultivation, tapping new sources of edible oil and market intervention through Minimum Support Prices.

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